

Interim Consolidated Financial Statements (U.S. GAAP)

Interim Consolidated Balance Sheets (Unaudited) (Yen in Millions)

	September 30, 2009	March 31, 2009
ASSETS		
CURRENT ASSETS:	117,270	136,675
Cash and cash equivalents	38,663	53,568
Trade notes and accounts receivable, net of allowance for doubtful accounts	19,903	30,624
Inventories	28,618	23,512
Deferred income taxes, net	19,049	19,203
Prepaid expenses and other current assets	11,037	9,768
PROPERTY AND EQUIPMENT, net	60,011	60,552
INVESTMENTS AND OTHER ASSETS:	102,750	104,443
Investments in marketable securities	312	560
Investments in affiliates	2,116	2,119
Identifiable intangible assets	35,782	35,883
Goodwill	21,885	21,925
Lease deposits	27,931	27,959
Deferred income taxes, net	3,306	3,641
Other assets	11,418	12,356
TOTAL ASSETS	280,031	301,670

	September 30, 2009	March 31, 2009
LIABILITIES		
CURRENT LIABILITIES:	43,733	62,386
Current portion of long-term debt and capital lease obligations	3,117	3,627
Trade notes and accounts payable	12,197	17,430
Accrued income taxes	1,399	6,683
Accrued expenses	14,442	17,738
Deferred revenue	6,109	7,586
Other current liabilities	6,469	9,322
LONG-TERM LIABILITIES:	55,087	55,745
Long-term debt and capital lease obligations, less current portion	38,315	37,739
Accrued pension and severance costs	2,714	2,941
Deferred income taxes, net	5,805	6,564
Other long-term liabilities	8,253	8,501
TOTAL LIABILITIES	98,820	118,131
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Konami Corporation stockholders' equity:	176,367	178,632
Common stock, no par value	47,399	47,399
Additional paid-in capital	77,089	77,090
Legal reserve	284	284
Retained earnings	75,576	76,947
Accumulated other comprehensive income (loss)	(794)	98
Treasury stock, at cost	(23,187)	(23,186)
Noncontrolling interest	4,844	4,907
TOTAL EQUITY	181,211	183,539
TOTAL LIABILITIES AND EQUITY	280,031	301,670

Interim Consolidated Statements of Income (Unaudited) (Yen in Millions)

	Six months ended September 30, 2009	Six months ended September 30, 2008
NET REVENUES:	113,914	146,904
Product sales revenue	75,283	105,431
Service revenue	38,631	41,473
COSTS AND EXPENSES:	109,303	124,060
Costs of products sold	43,780	55,865
Costs of services rendered	37,697	39,865
Selling, general and administrative	27,826	28,330
Operating income	4,611	22,844
Other income (expenses), net:	(582)	(436)
Interest income	71	381
Interest expense	(791)	(863)
Foreign currency exchange gain, net	95	54
Other, net	43	(8)
INCOME BEFORE INCOME TAXES	4,029	22,408
INCOME TAXES	1,653	9,990
EQUITY IN NET INCOME OF AFFILIATED COMPANIES	48	60
NET INCOME	2,424	12,478
NET INCOME ATTRIBUTABLE TO THE NONCONTROLLING INTEREST	192	514
NET INCOME ATTRIBUTABLE TO KONAMI CORPORATION	2,232	11,964

NET REVENUES

	Six months ended September 30, 2009	Six months ended September 30, 2008
Digital Entertainment Segment	51,419	93,030
Health & Fitness Segment	43,375	45,456
Gaming & System Segment	8,896	7,854
Other, Corporate and Eliminations	10,224	564
Consolidated	113,914	146,904

OPERATING INCOME

	Six months ended September 30, 2009	Six months ended September 30, 2008
Digital Entertainment Segment	4,484	26,305
Health & Fitness Segment	298	1,564
Gaming & System Segment	2,215	1,040
Other, Corporate and Eliminations	(2,386)	(6,065)
Consolidated	4,611	22,844

Interim Consolidated Statements of Cash Flows (Unaudited) (Yen in Millions)

	Six months ended September 30, 2009	Six months ended September 30, 2008		Six months ended September 30, 2009	Six months ended September 30, 2008
Cash flows from operating activities:			Cash flows from investing activities:		
Net income	2,424	12,478	Capital expenditures	(2,945)	(4,658)
Adjustments to reconcile net income to net cash provided (used) by operating activities:			Proceeds from sales of property and equipment	0	1,331
Depreciation and amortization	6,260	6,204	Decrease (increase) in lease deposits, net	(508)	1,784
Provision for doubtful receivables	144	13	Other, net	188	(50)
Equity in net loss (income) of affiliated company	(48)	(60)	Net cash used in investing activities	(3,265)	(1,593)
Deferred income taxes	(187)	(1,856)	Cash flows from financing activities:		
Change in assets and liabilities, net of business acquired:			Repayments of long-term debt	(296)	(296)
Decrease (increase) in trade notes and accounts receivable	7,074	10,164	Principal payments under capital lease obligations	(1,360)	(1,437)
Decrease (increase) in inventories	(5,524)	(9,007)	Dividends paid	(3,843)	(3,713)
Decrease (increase) in other receivables	(219)	1,233	Purchases of treasury stock by parent company	(1)	(100)
Decrease (increase) in prepaid expenses	(1,191)	(1,984)	Other, net	164	464
Increase (decrease) in trade notes and accounts payable	(2,798)	(4,426)	Net cash used in financing activities	(5,336)	(5,082)
Increase (decrease) in accrued income taxes, net of tax refunds	(5,151)	478	Effect of exchange rate changes on cash and cash equivalents	(98)	(354)
Increase (decrease) in accrued expenses	(2,802)	(3,725)	Net increase (decrease) in cash and cash equivalents	(14,905)	9,015
Increase (decrease) in deferred revenue	(1,320)	4,377	Cash and cash equivalents, beginning of the period	53,568	52,130
Increase (decrease) in advance received	(267)	753	Cash and cash equivalents, end of the period	38,663	61,145
Increase (decrease) in deposits	(576)	(530)			
Other, net	(2,025)	1,932			
Net cash provided (used) by operating activities	(6,206)	16,044			